We’ll be starting in just a few minutes….

Tell us… please send your response to the webinar organizers via the question box:

What topics are you interested in for future webinars?
Year of the Lease:
New Tools for Leased Space Energy Efficiency

Oct 3, 2017
3:00-4:00 PM ET
<table>
<thead>
<tr>
<th>Name</th>
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<tr>
<td>Holly Carr</td>
<td>DOE</td>
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<tr>
<td>Craig Haglund</td>
<td>EPA</td>
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<td>Jonathan Bauer</td>
<td>The Tower Companies</td>
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<td>Kabir Chaudhary</td>
<td>NIKA</td>
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<td>Alexandra Harry</td>
<td>IMT</td>
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What is an energy-aligned lease?

Energy-aligned “Green” leases **equitably align** the costs and benefits of energy and water efficiency investments between building owners and tenants.

- **Landlord** installs new high efficiency RTU. **Tenant** pays incremental upcharge.
- **Tenant** uses less energy, pays lower bills over life of lease.
- **Landlord** installs solar on rooftop. **Tenant** purchases onsite power.
- **Tenant** pays lower utility bill, reduces GHG emissions.
Guiding Principles

Tenants and Landlords should:

1. Know how much energy and water their buildings use.

2. Pay for energy and water upgrades commensurate to the financial benefits they receive.

3. Realize savings from cost-effective maintenance and behavioral energy and water best practices they undertake.
What are the benefits of energy-aligned leasing?

- **Automate** energy and cost savings for the life of your lease
- **Reduce** utility bills **up to $0.51 per square foot**
- **Increase** NOI
- **Increase** building occupant satisfaction
- **Improve** landlord-tenant communication and relationship

Why ENERGY STAR Tenant Recognition?

- ENERGY STAR’s objective measure of whole building efficiency has motivated change in the market, but barriers remain, especially in multi-tenanted buildings.
- Tenant activity often accounts for the majority of energy use in multi-tenanted buildings.
- Efficiency can save tenants money, directly or indirectly.
- Recognition highlights leaders, who show the way for everyone else.
Energy Efficiency Improvement Act of 2015

• Directed EPA to develop recognition for energy efficient commercial tenant spaces
  – Design & Construction (D&C)
    • To be proposed after DOE study on feasibility of high performance design and construction in tenant spaces
    • Study published April 30, 2016
  – Occupancy-Based
    • Modeled on 1-100 ENERGY STAR score for whole buildings
    • Requires data collected by Energy Information Administration, available 2021 at earliest
Guideposts for EPA

- Objective
- Simple
- As indicative of expected performance as possible
- Encourages good, cost-effective design
- Provides opportunity for tenant-landlord engagement
- Relatively easy for EPA to administer
- Aligns with and supports ENERGY STAR whole building recognition
This space has been verified to meet strict energy design criteria set by the U.S. EPA.
How Will Tenants Earn Recognition?

• Meet 5 criteria and complete an application provided by EPA
  1. Estimate Energy Use
  2. Meter
  3. Light Efficiently
  4. Purchase Efficient Equipment
  5. Share Data

• Have a Professional Engineer or Registered Architect verify the information and stamp the application

• Submit the completed, stamped application to EPA – includes landlord information if applicable

• EPA reviews and awards the recognition!
<table>
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<tr>
<th>Proposed Criteria</th>
<th>Estimate Energy Use</th>
<th>Meter</th>
<th>Light Efficiently</th>
<th>Purchase Efficient Equipment</th>
<th>Share Data</th>
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<td>Estimate total energy use intensity of the space.</td>
<td>Ensure appropriate metering is in place to enable accurate energy tracking (meters must be certified to be at least +/- 2% accurate).</td>
<td>Ensure projected lighting energy use intensity for the tenant space is below a specified level.</td>
<td>Use only ENERGY STAR certified equipment where eligible, such as computers, printers, TVs, water coolers, and kitchen appliances. This also applies to HVAC and data center equipment if being installed or replaced by tenant. Enable power management features.</td>
<td>Commit to sharing energy consumption data with the landlord if requested.</td>
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**LP Stamp**

A Licensed Professional (LP -- Professional Engineer or Registered Architect) verifies information and checks that meters and lighting are in place. Tenant submits LP-stamped application to EPA.
Starting with Pilot: Charter Tenants

• Office tenants only
• Broad and diverse group of Charter Tenants
  • Over 140 spaces, and 70 organizations
  • Represent 25 states, plus DC and Puerto Rico
  • Include occupied tenant space, as well as in design and build/fit-out
• EPA is working closely with Charter Tenants (and landlords where involved) to test concept and implementation
Timeline

• September 2017 – Early 2018
  • EPA works with Charter Tenants to pilot the recognition
  • Refine the criteria and application materials, including NREL/PNNL finalizing of energy/lighting tools.

• 2018
  • First ENERGY STAR Tenant Space recognitions awarded to qualifying Charter Tenants
  • EPA to assess changes needed to bring to the market, and work to introduce recognition for all office spaces

• 2018 and Beyond
  • EPA to consider making recognition available to retail and warehouse tenant spaces
www.energystar.gov/TenantRecognition
Alexandra Harry
IMT
Green Lease Leaders Program

- Initiated in 2013 by the U.S. Department of Energy and the Institute for Market Transformation to:
  - Define best practices in green or energy-aligned leases
  - Provide green leasing resources and technical support
  - Recognize tenants, property owners and brokers implementing leading practices in green leasing
  - Drive higher building energy performance in commercial, retail, and industrial buildings
Who are the Green Lease Leaders?
What’s new in 2017 for Green Lease Leaders?

- Two-level recognition
  - Silver
    - Standard lease and corporate policies
  - Gold
    - Executed leases + case study
- Alignment with ENERGY STAR Tenant Space
- Expanded credit options
- New reference guide, with templates and sample language
- New website
What are the requirements for tenants?

**Prerequisites**

- Provide sustainability/energy contact to landlord
- Require minimum energy efficient fit-out:
  - Estimate energy use
  - Meter tenant energy use
  - Light efficiently
  - Share utility data with landlord
  - Purchase efficient equipment

**Credits**

(Choose at least 5)

- Track tenant space energy use.
- Track tenant space water use.
- Request building ES score from landlord
- Ensure transaction management team receives energy training
- Implement tenant energy management best practices
- Purchase on-site renewables if offered by landlord and competitively priced
- Accept cost recovery for EE upgrades that benefit tenant
- Request building energy performance in Site Selection Questionnaire
- Innovation in Leasing
What are the requirements for landlords?

**Prerequisites**
- Provide/sustainability contact to tenants
- Implement cost recovery clause for energy efficiency upgrades benefiting tenant

**Credits**
(Choose at least 5)
- Track common area energy use
- Track common area water use
- Disclose whole-building ENERGY STAR annually
- Ensure brokers have energy training
- Implement landlord energy management best practices
- Require tenants to purchase on-site renewables
- Meter tenant spaces that are greater than 5,000 square feet
- Request annual tenant energy disclosure
- Require minimum energy efficiency fit-out for tenants
- Demonstrate innovation in leasing
New Website

- **Assess** your current leasing practices
- **Join** Green Lease Leaders to be a part of the learning community
- **Apply** for recognition

www.greenleaseleaders.com
What’s the timeline?

October 2017: Online application Opens

March 2018: Online application Closes

Spring 2018: Annual Recognition Event

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Holly Carr, DOE – Holly.Carr@ee.doe.gov
Paul Mathew, LBNL -- PaMathew@lbl.gov
Deb Cloutier, JDM Associates – DCloutier@jdmgmt.com
Leveraging a Green Lease to Engage Tenants and Improve Operations

Tuesday, October 3, 2017

Jonathan Bauer
The Tower Companies
Sustainability Analyst
Company Overview
Commitment to Sustainability

Lead by example on environmental responsibility, by developing and managing high performance properties, being a global voice on environmental stewardship, and sharing our sustainable and innovative practices.
What is our Green Lease?

Green Lease Categories

• Water Efficiency
• Energy Efficiency
• Materials & Resources
• Indoor Environmental Quality

Types of Requirements

• Design
• Construction
• Operational
Green Lease Language

**WATER EFFICIENCY**
The intent of this section is for Tenant to implement design strategies to reduce indoor water consumption.

- “WaterSense labeled fixtures are required for all newly installed water fixtures, when available for the specific type of fixture. For more information and available products, please visit this website: http://www.epa.gov/watersense/.”

**ENERGY EFFICIENCY**
The intent of this section is for Tenant to implement design and operational strategies to reduce energy consumption.

- “Tenant shall endeavor to implement and promote energy savings strategies to reduce plug load usage in the Leased Premises. Examples include utilizing power-savings settings for computer monitors and printers, reminding staff to turn off or unplug lights, electronics, and appliances when not in use, and installing advanced power strips.”

**MATERIALS AND RESOURCES**
The main intent of this section is to reduce waste generation and increase diversion rate from landfills and promote use of responsible product purchases.

- “Tenant shall adopt a Construction Waste Management Plan and establish a goal to divert at least 75% of the total construction and demolition materials. A sample Construction Waste Management plan will be provided upon request and diversion reports must be submitted to the Landlord.”

**INDOOR ENVIRONMENTAL QUALITY**
The main intent of this section is to ensure good indoor environmental quality to protect the health and comfort of the Tenant.

- “After construction is complete, space has been cleaned, and major VOC punch list items have been finished, Tenant is required to conduct baseline IAQ testing. Testing must be done in accordance with the Indoor Air Quality Assessment credit described in the LEED® Reference Guide for Interior Design and Construction v4.”
NIKA is revolutionizing how businesses and governments design, build and manage real property. By combining architecture, engineering, enterprise technology, and facilities operations management services all under one roof, we are able to provide unparalleled value to our clients. With nearly two decades of experience serving organizations across the world, NIKA provides exceptional client service that is designed to enhance operational excellence and readiness while meeting mission objectives.

Who is NIKA?
NIKA Sustainability Goals
Green Leasing Perspective
Tips & Lessons Learned

• Collaborate with all stakeholders

• Be prepared to educate all parties

• Baby steps – start small

• Be patient and flexible!
Thank You!

Jonathan Bauer  
Sustainability Analyst  

The Tower Companies  
2000 Tower Oaks Blvd 9th Floor  
Rockville, MD 20852

Jonathan.Bauer@towercompanies.com
Better Buildings Webinar Series

2 FOR 1:
ENERGY EFFICIENCY AND WATER SAVINGS ARE A COMBO DEAL

Tuesday, November 7, 2017  |  3:00 - 4:00 PM ET

REGISTER TODAY

Learn about how you can achieve both energy and water savings in an industrial or commercial setting, and how one often follows the other.
### Today’s Presenters

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### Program Support

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